

Notice Regarding Transfer of Consolidated Subsidiary (Transfer of Shares)

STAR MICRONICS CO., LTD. (“STAR MICRONICS” or “the Company”) has as of September 28, 2018 transferred all shares of Star Micronics Precision (Thailand) (SMPT), its consolidated subsidiary. Details of the share transfer are as follows.

With this share transfer, SMPT will be excluded from the Company’s scope of consolidation.

1. Reason for the Share Transfer

With regard to non-wristwatch components in the Precision Products Segment, in addition to contraction in the market for hard disk drive (HDD) components, SMPT, for which these components represent its primary source of product sales, has in recent years experienced sluggish sales. The Company has determined that the future outlook for recovery in sales appears to be difficult. Given this, as one initiative to increase revenue through reorganization of its overseas production bases, it has entered into a share transfer agreement upon which it has transferred all of its SMPT shares.

2. Overview of the Consolidated Subsidiary undergoing Transfer of Shares

(1) Name	Star Micronics Precision (Thailand) Co., Ltd.
(2) Address	Rojana Industrial Park, Ayutthaya, Thailand
(3) Representative	Junichi Murakami, Managing Director (Senior Executive Officer, Star Micronics)
(4) Business content	Manufacture and sales of precision components
(5) Paid-in capital	THB 120,000,000
(6) Date of establishment	April 2007
(7) Major shareholders and ratio of shares held	100.0% held by STAR MICRONICS CO., LTD.

3. Date of Share Transfer

September 28, 2018

4. The Transferee Company and Transfer Price

Due to a non-disclosure agreement with the transferee company, the Company will not disclose that company’s name or price of the transfer. Between the Company and the transferee company (a Japanese company), there are no special remarks with regard to relationships concerning capital, human resources, trading, or as related parties.

5. Future Outlook

The impact of the share transfer on the Company’s consolidated financial results for the current fiscal year will be nominal.